

## § 4280.157

### § 4280.157 Determination of loss and payment.

Loss and payments will be determined in accordance with § 4287.158 of this chapter.

### § 4280.158 Future recovery.

Future recoveries will be conducted in accordance with § 4287.169 of this chapter.

### § 4280.159 Bankruptcy.

Bankruptcies will be handled in accordance with § 4287.170 of this chapter, except that the notification required under § 4287.170(b)(4) of this chapter shall be made in writing.

### § 4280.160 Termination of guarantee.

Guarantees will be terminated in accordance with § 4287.180 of this chapter.

## SECTION C. DIRECT LOANS

### § 4280.161 Direct Loan Process.

(a) The Agency will determine each year whether or not direct loan funds are available. For each year in which direct loan funds are available, the Agency will publish a Notice of Funds Availability (NOFA) in the FEDERAL REGISTER.

(b) In each direct loan NOFA, the Agency will identify the following:

- (1) The amount of funds available for direct loans;
- (2) Applicant and project eligibility criteria;
- (3) Minimum and maximum loan amounts;
- (4) Interest rates;
- (5) Terms of loan;
- (6) Application and documentation requirements;
- (7) Evaluation of applications;
- (8) Actions required of the applicant/borrower (e.g., appraisals, land and property acquisition);
- (9) Insurance requirements;
- (10) Laws that contain other compliance requirements;
- (11) Construction planning and performing development;
- (12) Requirements after project construction;
- (13) Letter of Conditions, loan agreement, and loan closing process;
- (14) Processing and servicing of direct loans by the Agency; and

## 7 CFR Ch. XLII (1–1–07 Edition)

- (15) Any applicable definitions.

### § 4280.162–4280.192 [Reserved]

## SECTION D. COMBINED FUNDING

### § 4280.193 Combined funding.

The requirements for a project for which an applicant is seeking a combined grant and guaranteed loan are defined as follows:

(a) *Eligibility.* Applicants must meet the applicant eligibility requirements specified in § 4280.107 and the borrower eligibility requirements specified in § 4280.121. Projects must meet the project eligibility requirements specified in §§ 4280.108 and 4280.122. Applicants may submit simplified applications if the project meets the requirements specified in § 4280.109.

(b) *Funding.* Funding provided under this section is subject to the limits described in paragraphs (b)(1) through (3) of this section.

(1) The amount of any combined grant and guaranteed loan must not exceed 50 percent of total eligible project costs. For purposes of combined funding requests, total eligible project costs are based on the total costs associated with those items specified in §§ 4280.110(c) and 4280.123(e). The applicant must provide the remaining total funds needed to complete the project.

(2) Third-party, in-kind contributions will be limited to 10 percent of the matching fund requirement of any financial assistance provided to the applicant.

(3) The minimum combined funding request allowed is \$5,000, with the grant portion of the funding request being at least \$1,500.

(c) *Application and documentation.* When applying for combined funding, the applicant must submit separate applications for both types of assistance (grant and guaranteed loan). Each application must meet the requirements, including the requisite forms and certifications, specified in §§ 4280.111 and 4280.128. The separate applications must be submitted simultaneously. The applicant must submit at least one set of documentation, but does not need to submit duplicate forms or certifications.

(d) *Evaluation.* The Agency will evaluate each application according to